GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Infrastructure and Investment Department —Authorize A.P. Maritime Board to provide Back-to-Back loan support to A.P. Airports Development Corporation Limited for HUDCO Loan repayment - Orders - Issued.

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INFRASTRUCTURE & INVESTMENT (AIRPORTS) DEPARTMENT

G.O.MS.No. 16

Dated:

12-11-2025

Read the following:

1.G.O.Ms.No.8, I&I (Airports) Dept., dt.14.07.2025.
2.From MD, APADCL, e-file BIAC-14022/4/2025-FIN-APADCL, dt.10.10.2025 - Computer No.2921052.

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ORDER:

The Government of Andhra Pradesh intends to develop (8) eight Greenfield airports across the state viz., Srikakulam, Bhogapuram, Tuni-Annavaram, Tadepalligudem, Ongole, Dagadarthi, Kuppam and Nagarjuna Sagar, besides internationalization of the greenfield international airport at Bhogapuram, to enhance air connectivity and support regional economic growth and also desires to establish a new Greenfield International Airport at Amaravati, being the capital of the state.

2. In the G.O. 1st read above, Government have agreed the proposal of Andhra Pradesh Airports Development Corporation Limited (APADCL) to provide Government guarantee for obtaining Rs.1,000 Cr loan to meet for development of airports at Kuppam, Dagadarthi & Srikakulam (for LA and external infra) and Amaravati (for external infra) and Viability Gap Funding (VGF) support for airports, if any and to clear the urgent pending liabilities of APADCL, with the following conditions;

I. The guarantee will be valid for the entire tenure of the loan period. The guarantee is extended for the principal and interest part.
II. The Corporation to negotiate rate of interest and ensure to bring it at least on par with MCLR rates. Further, to ensure zero foreclosure charges clause in the agreement.
III. Submission of repayment schedule of principal and interest along with the details such as interest rate, tenure, moratorium period, etc., and conditions, if any.
IV. The government guarantee shall come into force only in the event of failure to pay the obligations to the lending institution by the APADCL.
V. The deed shall not be valid unless it is signed by the authorized officer of the Finance Department., Government of Andhra Pradesh.

(P.T.O)

VI. APADCL to pay a 5% guarantee commission on the guaranteed amount.

VII. The MD, APADCL is requested to make internal arrangements for servicing's of the loan for entire period (first 10 years from other corporations/APMB in the Department and thereafter from Boghapuram Airport) without depending on the Finance Department.

3. In the reference 2nd read above, the Managing Director, APADCL has requested Government to consider the implications for repayment support from APMB and to accord approval for (a) APMB to provide back-to-back loan support to APADCL for HUDCO loan repayment and to authorize APMB Board to issue resolution and undertaking for financial support to APADCL. (b) To issue a Government comfort letter assuring settlement of dues in the event of any shortfall by the supporting Government corporation;

4. Government, after careful examination here by agree to the proposal of M.D., APADCL (i) to provide back-to-back loan support to APADCL for HUDCO loan repayment from APMB and authorize APMB Board to issue resolution and undertaking for financial support to APADCL (ii) to issue a Government comfort letter assuring settlement of dues in the event of any shortfall by the supporting Government corporation.

5. This order issues with the concurrence of Finance Department vide their U.O.No.FIN01-FMU0ASD(IIE)/17/2024-FMU-IC-IIE (Computer No.2609902), dt.06.11.2025.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MOVVA TIRUMALA KRISHNA BABU
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Chief Executive Officer., A.P. Maritime Board, Mangalagiri.
The Managing Director, A.P. Airports Development Corp., Ltd, Mangalagiri.
The Executive Director, HUDCO, A.P., Vijayawada.
Copy to:
The Director of Treasuries and Accounts, A.P., Vijayawada.
The Accountant General, A.P., Vijayawada.
The Finance (Expenditure) Dept., A.P. Secretariat, Velagapudi.
The General Administration (Cabinet) Dept., A.P. Secretariat, Velagapudi.
The P.S. to Secretary to Hon'ble CM.
The P.S to Hon'ble Minister(I&I) Department.
The P.S. to Chief Secretary to Govt.,
The P.S. to Special Chief Secretary to Govt., I&I Department.
SF/SC (Computer.No.2767213)

//FORWARDED BY ORDER//

SECTION OFFICER